

CENTRAL INTELLIGENCE AGENCY

INFORMATION REPORT

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SECURITY INFORMATION

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- At the end of December 1952, the persons employed by DIA Bergbau numbered 270. The table of organization for 1953 calls for a reduction in force of 40 persons.
- Some leading personnel of DIA Bergbau as of January 1953 are as follows:
Dr. Erich Mildner (SPD/SED) - head commercial director
Arthur Reichert (SED) - deputy commercial director
(fnu) Berger (SED) - deputy director
(fnu) Wobusa (no party) - head bookkeeper
(fnu) Schmidt (SED) - head of the personnel department
- DIA Bergbau is divided into ten offices. The following is a list of these offices and their heads:
Export I (coal) - (fnu) Kirzeck (no party)
Export II (potash) - (fnu) Hueckstaedt (no party)
Export III (Nitrogen) - (fnu) Brete (no party)
Export IV (salts) - (fnu) Brete
Export V (construction materials) - (fnu) Wagner (no party)
Export VI (stones and earths) - Miss (fnu) Hermann (SED)
Import I (coal and power) - (fnu) Kreis (SED)
Import II (ores) - Mrs. (fnu) Ostband (no party)
Import III (stones and earths) - (fnu) Lohf (no party)
Import IV (phosphoric acid) - (fnu) Brete (no party)
- The total turnover of DIA Bergbau for 1952 imports and exports amounted to between 800,000,000 and 850,000,000 rubles. A total turnover of 1,000,000,000 rubles is planned for 1953. The export plan for 1952 was fulfilled 90 percent, while the import plan for 1952 was fulfilled 100 percent. Taking into consideration the fourteen-day period allowed for payments, the current backlog of payments of DIA Bergbau amount to 20,000,000 east marks. Interest on arrears at the end of 1952

25 YEAR RE-REVIEW

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was considered negligible. It is expected that fines for breach of contract would only have to be paid on cement and potash exports. Bergbau figures the fines for these two sectors will amount to 1,200,000 east marks. The potash export plan was considered too high. Because of the disastrous transportation situation, by the end of December 1952, only 28,000 of the 100,000 tons of potash agreed upon in exchange for 150,000 tons of coal had been delivered to Poland.

5. The nonfulfillment of the cement export plan was attributed to currency difficulties, because cement is only traded through clearing. The 1952 potash export program amounted to 960,000 tons of potash. The 1953 potash export plan calls for 1,050,000 tons of potash.
6. The German trade centers (DEZ) acted as middlemen for DIA Bergbau up until the end of 1952. It is planned that, beginning with January 1953, DIA Bergbau will deal directly with the factories. Under the reorganization it will have to set up its own disposition system despite a 25 percent reduction in force.
7. Potash, nitrogen, briquets, and cement make up from 80 to 85 percent of Bergbau's exports. The price of potash per ton for Western Europe is as follows:

40 percent effective value - \$22
 50 percent effective value - \$28
 60 percent effective value - \$31

Usual market demands are for 40 percent potash. The price for Eastern Europe is \$20 for 40 percent effective value.

8. The following table shows the export of potash in tons for 1952.

<u>Destination</u>	<u>Quantity</u>
Total 1952 potash export: 960,000 tons of which:	
USSR (for re-export to [redacted])	
Czechoslovakia)	50,000
People's Democracies	300,000

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9. The efforts of Bergbau to increase exports [redacted] by extending sole selling rights to one firm were defeated when State Secretary Wilhelm Huettneraich (SED) in the coordinating office of the Ministry for Foreign and Domestic Trade forbade it. The principle of sole selling rights is used in trade [redacted]

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10. The following table shows the export of nitrogen in tons for 1952.

<u>Destination</u>	<u>Quantity</u>
Total 1952 nitrogen export: 160,000 ton, of which:	
People's Democracies	50,000
USSR	50,000

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The price of nitrogen a ton is \$50. There is a special price for shipments to the USSR.

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12. The following table shows the 1952 export of cement in tons.

DestinationQuantity

Total 1952 export: 700,000 tons of which:

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100,000 tons will be exported.

("sh.") a ton.

The price of cement was 97 shillings

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13. The following imports of coal in tons were made in 1952; 3,700,000 from Poland; 100,000 (anthracite) from the USSR. The shipments from Poland was in conformity with the plan and trade agreement. Too little gas coke was delivered (about half of that required). Because of the non-sorted coal, East Germany sustained losses amounting to millions of East marks. Poland is not able to keep to its promises of quality delivery, because of the poor condition of the upper Silesian coal mining installations.
14. The following imports of coke in tons were made in 1952: 850,000 from Poland (of which 600,000 were metallurgical coke); 700,000 from Czechoslovakia; 250,000 from Poland (credited to the USSR). The total quantity of coke required by the East German Ministry of Foreign and Domestic Trade for 1953 amounts to 1,800,000 tons, of which Poland will deliver 950,000 tons (900,000 tons of this will be metallurgical coke) and also deliver 250,000 tons for the USSR. (Previously metallurgical coke only amounted to 70 percent of the shipments). The remainder of the requirement was to be delivered by Czechoslovakia. However, it appears that only 600,000 tons can be expected from Czechoslovakia. The total import of coke (metallurgical and nonmetallurgical) for 1953 is planned at 2,400,000 tons.
15. Lauchhammer coke production is in process, but cannot be used for metallurgy, but solely for gas plants. The planned production for 1952 at the Braunkohlenskokererei Lauchhammer was 600,000 tons. It is estimated that about 200,000 tons of brown coal coke are lying in the coal heap.
16. The following imports of ore were made in 1952: 1,000,000 tons of iron ore from the USSR; 1,800 tons of tungsten ore from China. The planned 1953 import of iron ore from the USSR amounts to 1,800,000 tons. There is no planned increase in 1953 for tungsten or molybdenum imports. Vanadium concentrate and arsenic concentrate, which have not been previously imported, will be imported in 1953 from China. Quantities have not yet been determined.
17. In 1952, 240,000 tons of sulfur pyrites were imported. Seventy-five percent of the imports result from contracts

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Twenty-five percent of the imports were through smaller deals. The import plan was 75 percent fulfilled. The 1953 import plan is set at the same level as the 1952 import plan.

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